

## CENTRAL INTELLIGENCE AGENCY

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## INFORMATION REPORT

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THE SOURCE EVALUATIONS IN THIS REPORT ARE DEFINITIVE.  
THE APPRAISAL OF CONTENT IS TENTATIVE.  
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1. The Municipal Retail Trade (Miejski Handel Detaliczny-MHD) is a local organization, divided into independent directorates. In Stalinogrod (Katowice) there are three directorates as follows:

	<u>No. of Branches</u>
a. The Directorate of Foodstuffs	approximately 180
b. The Directorate for Textiles, Ready-made Clothing & Footwear	approximately 150
c. The Directorate for Sundries (household items, tools etc.)	unknown

These directorates are immediately subordinated to the Silesia-Dabrowa Province (Wojewodztwo Slasko-Dabrowskie).<sup>1</sup>

2. The MHD Textile, Ready-made Clothing and Footwear section in Stalinogrod is located in ul. Pocztowa 16. The leading personalities are:

Buchacz (fnu)

Manager,

Valentin Skupnik

Head bookkeeper,

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25 YEAR RE-REVIEW

STATE	X	ARMY	X	NAVY	X	AIR	X	FBI		AEC						
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(Note: Washington Distribution Indicated By "X"; Field Distribution By "#")

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Danuta Mazur	Head of the planning department,
Franz Furtok	Head of the sales department (Obrot Towarowy)
Pelagia Janota	Head of the personnel department.

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3. Goods are supplied to the MHD by various distributing centers or directly from production cooperatives, where they are not already covered by the centers. The planning and supply centers dealing with the MHD Directorate for Textiles, Clothing and Footwear are the following:
  - a. Centrala Odzieżowa (Clothing)
  - b. Centrala Tekstylna (Textile)
  - c. Centrala Handlowa Przemysłu Skórzanego (Leather goods)
  - d. Centrogal (Fancy goods and cosmetics sales office)
  - e. Centrofarm (Sales office for pharmaceutical goods)
4. The planned agreements for the production of consumer goods made between the planning and supply centers and the corresponding production centers take little account of consumers' requirements, and this results in a surplus of inferior goods produced according to plan, whilst the demand for quality goods is not met. For example, on 15 November 1953 the MHD Textile, Clothing and Footwear Store in Stalinogrod carried stock valued at 45,000 zloty. Despite reductions in price of from 15-40%, the greater part of this stock, estimated to be worth 35,000,000 zloty, cannot be disposed of. This precarious state of affairs has been the subject of much discussion by the authorities concerned.
5. The average monthly turnover target for the MHD Textile, Clothing and Footwear Directorate in Stalinogrod is 22,000,000 zloty. During 1953, however, the turnover target was only reached in January, February, March and October, but officially it was announced as having been attained for the whole year.
6. In practice, however, the following occurs:
  - a. If the planned turnover target is in danger of not being attained in the time scheduled, bills are simply made out through the supply centers and sent to the MHD, which does not make deliveries until possibly the following month.
  - b. These machinations force the MHD to make out fictitious bills when sometimes no deliveries have been made at all. The original bills are not sent but are booked only, and at a later period written off, according to requirements and dependent on the degree to which the plan had been fulfilled.
  - c. For balancing the books, creditors and debtors are entered who, in fact, do not exist. The books therefore balance and the turnover target has been "attained".
7. The above practice is prevalent in the Stalinogrod Directorate, which is considered to be a model concern in Poland.

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8. The margins of profit within which the MHD operates are as follows:

Textiles	4%
Footwear	4%
Clothing	5%
Fancy goods	8%

This represents a gross profit of about 5%, but the margins of profit are split up practically according to the various items of expenditure (e.g. salaries 2.2%), up to a net profit of approximately 1%. This sum has to be paid monthly, at arranged times, to the Presidium of the Municipal National Council in Stalinogrod.

9. In connection with the turnover targets, the new regulation on payment of salaries, which came into force on 1 September 1953, is of interest. The basis for the rate of pay is the planned turnover target in relation to the turnover actually achieved. Thus, if the individual branch attained only 90% of the target, the employees received only 90% of their salaries. The consequence of this is that manipulations are rife. For example: The shop assistant sells a pair of shoes of second quality for the price of first quality, and the seller of textiles exchanges the labels on the goods so as to obtain more money, which disappears into his own pocket. The purchaser is not in a position to check the real selling price. These practices, at the consumers' expense, are inherent in the system and cannot be controlled.

10. So far as missing goods and deficiencies are concerned, employees who are Party functionaries have a considerable measure of personal protection, regardless of authority and the law. There is a confidential order regarding the examination of deficiencies and surplus goods revealed on stocktaking. If the manager is a Party functionary and discrepancies (Verfehlungen) are revealed, the matter is not brought to the law courts but is simply filed. On the other hand, deficits of over 3,000 zloty are punishable by handing the guilty party over to the law, and immediate dismissal, according to Paragraph 32 of the confidential order.

11. The average wages for white collar employees and workers in October 1953 were 602 zl. and 650 zl. respectively,

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It is a real financial problem, therefore, to buy clothing since, for example, a suit of medium quality (60% wool content) costs 900-1,150 zl. There are no credit sales

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12. Sales of the following goods, which are much in demand, are strictly prohibited:

100% woollen materials	670 zl. per meter
dust coats	900 zl.
gabardine coats	1,800 zl.
men's shoes (from Czechoslovakia)	570 zl.
women's shoes	600-800 zl.

The above goods are mostly available only to officials and for special shops within the MHD. Two such shops for officials are located in the building housing the Polish United Workers Party Voivodship Committee (entry by pass). Occasionally remnants of such special issues of goods are sold at excessive prices. It is not considered importunate when the wearer of such special goods is asked by passers-by in the street where he has obtained them, but this often causes him great embarrassment.

13. Goods which are not especially in demand, such as ordinary ready-made goods, furniture and, very occasionally, radio sets, can be bought on credit bills up

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to six months. The applicant for credit pays 25% of the value of the goods, plus 24 zl. in cash (this never changes). The remainder is divided into six monthly installments. To obtain credit, the amount of salary has to be shown, as no single installment may exceed 20% of the income of the person concerned. The amount of credit is thus limited in every case by the monthly income, and a workman earning an average of 650 zl. per month is not in a position to buy even the most ordinary kitchen equipment, which at present costs 1,800 zl. The standard of living is thus very circumscribed.

14. Credit facilities are only available in cases where several members of the family are earning wages, since each has income which can be checked.

1. Comment: [redacted] The old Slask (Silesian) voivodship covered approximately the same area now covered by the voivodships of Opole and Stalinogrod (Katowice).

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